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Senate

TRANSPORTATION APPROPRIATIONS BILL

Mr. CARPER. Mr. President, I appreciate the opportunity to say a few words while we are contemplating the Transportation appropriations bill. A special thanks to our ranking Democrat and chairman of the appropriations subcommittee for the work that their staff and others on the subcommittee have done.

One of my primary issues of interest is energy independence. This is an issue that, in this Nation today, we all have to be interested in. Today, roughly 60 percent of the oil we will use to drive our cars, trucks, and vans will be from foreign sources. A lot of the oil is controlled by people who, frankly, are not that friendly to us and some of whom, I am convinced, would do us ill if they had the opportunity.

Meanwhile, as we pump more and more money out of our economy into the hands of folks in other countries, who may or may not wish us well, we need to pause and reflect on the wisdom of that.

One of the elements in this Transportation appropriations bill is

money to continue to fund passenger rail service in this country. I will talk for a moment about whether that is an energy-efficient approach to part of our transportation challenge.

We are gathered in Washington, DC. Believe it or not, we can move one ton of freight by rail from Washington, DC, where we are located, up to Boston, MA, using one gallon of diesel fuel by train. Think of that. We can move one ton of freight by rail from Washington, DC, to Boston, MA, by simply using one gallon of diesel fuel.

In a day and age when almost 60 percent of the oil we use is from foreign sources, to be able to have that efficiency using rail--whether for freight or, in many cases, by passenger--we are wise to more fully utilize that transportation mode.

Today we were having a hearing in the Environment and Public Works Committee, where I serve, as does Senator *Bond*. We were having a hearing on the question of whether or not we should make it easier for folks to locate a

refinery, to build a refinery on military bases that have been made available through the BRAC process.

While we go forward and explore that option, I suggested to my colleagues and to those who were witnesses before the committee today that we might be wise, as we again try to reduce our reliance on foreign oil, to take a look to the south of our country, down to Brazil, to see what they are doing to reduce their reliance on foreign oil. In Brazil, they have learned how to meet, in an increasing way, their need to drive their cars, trucks, and vans not by importing oil, not by pumping oil but by growing sugarcane, soybeans, in some cases corn, grass, different kinds of grass, and being able to transform those crops into fuel for their cars, trucks, and vans. I understand now over a quarter of the fuel needs of Brazilians, as they are driving around their country today and tonight, are met by the crops they grow.

I am proud to say, in Delaware, during the time I was privileged to be their Governor, we decided to try an experiment with our DeIDOT vehicles. The experiment was one where we said, Why don't we use a combination of soybean oil--we raise a lot of soybeans in Delaware--use some of our soybean oil and mix it with diesel fuel and see if it works in powering our DeIDOT vehicles. It worked fine and it ran well.

Actually, there were environmental consequences: The air pollution consequences were better with the mixture of soybean oil and diesel fuel, and we reduced our reliance on oil to some extent.

That experiment has given way to a broader experiment in our State, where

we use a combination of soybean oil and diesel fuel to power an ever broader number of vehicles that are diesel powered, including farm equipment and I believe now some schoolbuses and other larger trucks.

We are building a refinery in Delaware today. It is not a traditional kind of refinery. We have a big oil refinery along the Delaware River in a town called Delaware City. This is a refinery where we are going to bring soybeans to the refinery and create, again, a blend of soybean oil and diesel fuel to help power those DeIDOT vehicles and other vehicles normally diesel powered.

In the next year or so, new EPA requirements for cleaner, leaner, low-burning emission diesel engines will be phased in, Tier II requirements. As we face those requirements, we will find that diesel-powered vehicles, which used to belch black smoke pulling away from intersections and traffic lights, leaving a huge black plume of particulate and pollutants--those days are, at least with respect to new vehicles on the road, those days will be gone for the most part next year. We will see more diesel-powered vehicles which, in many cases in the future, will be clean burning, as lean burning, as low emission as our internal gas-powered engines that can take advantage of the refinery we are building north of Dover, DE, and other folks that are building similar biodiesel refineries in their own States.

We did a couple smart things in the Energy bill that we enacted early this year. They also relate to enhancing our ability to reduce our reliance on foreign oil. We have expanded the tax credit for people who buy hybrid-powered

vehicles, a combination of internal combustion engine with the electric motor.

Under current law, the tax credit for people buying hybrids is about \$1,000, a flat \$1,000. I don't believe it is bigger if you have a vehicle that gets 60 miles per gallon as opposed to one that gets 30. The tax credit for hybrid-powered vehicles will change on January 1. Beginning that day, people who buy a hybrid-powered vehicle, ones that are highly energy efficient, get a tax credit worth up to as much as \$3,400. For hybrid engine vehicles that are less energy efficient, the tax credit goes down.

Similarly, we are going to begin to offer, on January 1 of next year, a tax credit--again, a variable tax credit--for folks who buy lean-burning, clean-burn, low-emission, highly fuel-efficient diesel-fueled vehicles.

The head of Daimler Chrysler in North America, Juergen Schrempp, will head up Daimler Chrysler around the world and was here hosting a reception off of Capitol Hill and brought with him folks from Daimler Chrysler. Vehicles were, in some cases, internal combustion engines and other cases diesel powered. He brought with him a concept passenger car. They have not built it yet but they are hoping. My hope is that they will. The vehicle gets 60 miles per gallon in the city and 80 miles per gallon on the highway. The combination overall is about 70 miles per gallon. The vehicle will meet Tier II diesel requirements for lower emissions, as well.

We have seen our friends from GM and Daimler Chrysler create a

partnership early this year for developing the next generation of hybrid-powered vehicles.

My hope is that one of the concepts they will come up with, one of the engines and power systems they will come up with, is something that marries together this notion of a low-emissions, highly energy efficient diesel-powered engine with an electric engine. It will be a diesel hybrid. GM has already introduced that kind of technology quite successfully with respect to buses. We have thousands of buses that are now roaming the streets of America that are diesel powered but also have a hybrid counterpart, too, to provide better efficiency and lower emissions.

I think it would be terrific for consumers and those of us who are interested in cleaner air and for those of us who are interested in reducing our reliance on foreign oil to take that same concept of a diesel engine with an electric hybrid motor--putting them together--and being able to introduce that kind of propulsion system in our cars, trucks, and vans, as we have--at least by GM--in larger vehicles.

Nobody in this country should be comfortable with the state we find ourselves in today, with this huge and growing reliance on foreign oil. We can do better. On behalf of all of us in this country, and especially our kids, the folks to whom we are leaving our trade deficit and our budget deficit, we have to do better than this.

About a quarter of our trade deficit is attributable to the cost of oil, the importation of oil. We cannot continue on a course, in my view, that has \$300

billion or \$400 billion budget deficits and \$600 billion or \$700 billion trade deficits. That is not sustainable. One of the ways we can at least take a big bite out of that trade deficit is to move toward energy independence, maybe by

the year 2020--it would be great if we could do it sooner; that may not be realistic--but at least by 2020.

With that, Mr. President, I yield back my time and thank the Chair.